

CITY OF SAINT PAUL ORDINANCE
YOUTH PROGRAM FUND
Section 409.235 of the Saint Paul Legislative Code

Sec. 409.23. Fund established; administration.

(a) *Youth Program Fund.* There is hereby established a special fund for the administration and distribution of the proceeds contributed by charitable gambling in on-sale liquor establishments as specified in this chapter. This fund shall be known as the "Youth Program Fund." The purpose of this fund shall be to assist in providing funding for youth programs developed and operated by volunteers associated with youth serving groups and/or organizations providing services to Saint Paul youth under the age of twenty (20). All proposal shall be submitted to the Youth Program Fund manager. Monies in this fund may be expended only for such lawful purposes as set forth in Minnesota Statutes, Chapter 349. Organizations selling paddlewheel tickets, pull-tabs or tipboards in licensed establishments shall be ineligible to receive funds from the Youth Program Fund.

(b) *Advisory board.* The mayor, with the advice and consent of the city council shall appoint a city-wide Youth Program Fund advisory board whose membership shall consist of one (1) youth and one (1) adult representative from each of the city's council districts as well as four (4) at-large members to advise the city council on the disbursement of these funds. The advisory board shall by resolution adopt rules and regulations governing the administration of the fund, eligible applicants and appropriate uses for the funds, which rules shall, prior to becoming effective, be approved by the city council. These rules shall include all the provisions of this section.

(c) *Applicant qualifications:*

(1) Applicants for funding must be:

a. Incorporated, nonprofit organizations formed for the purpose serving Saint Paul youth, or have an incorporated, nonprofit organization which provides programs for Saint Paul youth as a fiscal agent; or

b. Community-based nonprofit corporations which by their articles or bylaws operate solely in specific geographic areas of the City of Saint Paul, or booster clubs organized for a recreation center, which provide programs for youth in the communities or neighborhoods which such organizations represent.

Organized clubs, activities and teams of public or private schools will not be eligible. Evidence that an organization has been recognized by the IRS as exempt from taxation pursuant to 26 U.S.C. Section 501 or is using an organization so recognized as a fiscal agent shall be accepted as proof that it is a nonprofit organization, but such evidence is not the exclusive method of establishing nonprofit status.

(2) No organization operating charitable gambling in the State of Minnesota will be eligible to receive funds.

(3) No organization formed, incorporated, operated or managed by the members, officers or directors of any organization operating or conducting lawful gambling, or subject to requirements for contributions under sections 409.22(1) or 402.10 of the Legislative Code, will be eligible to receive funds.

(4) An incorporated, nonprofit organization formed for the purpose of serving Saint Paul youth, or which has an incorporated, nonprofit organization which provides programs for Saint Paul youth

as a fiscal agent, can apply for funding from the Youth Program Fund in any calendar year in which it has received funds from any organization pursuant to the procedures under section 409.235 of the Legislative Code, but cannot exceed the limits as set forth in this chapter.

(d) *Requirements for applications for funding.* Applicants shall provide program information setting forth its stated purpose (goals and objective), number of youth served, area served and reasons why the funds are needed. The submitting organization must provide at the time of application the following information:

- (1) Verification of the nonprofit status of the fiscal agent and a copy of the articles and bylaws of such agent.
- (2) A list of officers and/or board of directors of the organizations(s), and the fiscal agent(s), if any, involve in the project. A list of individuals (staff and volunteers) responsible for the proposed program.
- (3) Letter verifying approval of the application by the board of the fiscal agent.
- (4) Previous year's program budget and financial statement (if applicable).
- (5) Proposed program budget (expenses and income) for the activity.

Financial information must demonstrate that the proposed programs to be funded will be used for the benefit of the public in providing youth programs for youth twenty (20) years old and under, at least seventy-five (75) percent of whom are residents of the City of Saint Paul.

- (6) Evidence that insurance, if needed, can be obtained by the organization.

(e) *Standards for awards of funds.*

(1) Funds will be awarded on a three Youth Program Fund dollars to one (1) organization dollar matching basis only. Volunteer hours may be used toward the match (\$10.00 per hour of volunteer time involved in the implementation of the proposed program).

(2) Proposals will be evaluated on their merits. Proposals may be denied if the Youth Program Fund board determines that other suitable funding may be available to the organization or for the activity, or that the proposal does not meet the requirements of applicable ordinances or the guidelines adopted by the board. Priority will be given to proposals that:

- a. Are developed and evaluated with youth involvement;
- b. Are directed toward prevention of youth problems; or
- c. Address demonstrable community needs that cannot be met because of the lack of financial resources on the part of institutions or individuals in that community.

(3) Organizations receiving funds shall file financial reports with the city showing how the funds were expended and for what purpose. No additional grants will be made until the organization has filed such reports of previous expenditures.

4) Funds will be granted for new and ongoing activities of any eligible organization which will operate or has operated with significant community volunteer involvement; activities of eligible organizations that have been operating youth programs for less than five (5) years; or ongoing

activities which might not be offered because of substantial loss of other funding or because of substantial increases in major program costs.

(5) Programs will be limited to eight thousand dollars (\$8,000.00) in grants each year. Organized athletic programs, regardless of sport, based at or primarily using the facilities or equipment of a particular recreational facility may be considered one (1) program at that facility. In addition to the foregoing, an eligible organization may be allowed to receive an additional six thousand dollars (\$6,000.00) of grants from the Youth Program Fund each year if the organization is located with, or primarily served youth located in, a Community Development Block Grant-eligible area or the organization can demonstrate that a majority of the youth directly benefitted by the program come from families whose income is below the income standards which are used to measure Community Development Block Grant area eligibility.

(6) Funds should be received by the grantee organization within thirty (30) days after the approval of the city council, so long as such organization has complied with all lawful requirements and the city and such organization have previously executed a contract with respect to such funds.

(f) Limitations on use of funds:

(1) Funds may not be used for capital expenses, except as may be provided in administrative rules adopted by the advisory board permitting use of funds for purchase or maintenance of capital goods other than real property, nor for salaries or travel expenses, but may be expended for an individual or team representing the city or state in the state or national championship tournament in that sport or activity or from the city where such individual or team has qualified for the state or national championship tournament in that sport or activity by competing in and winning the championship or tournament in the city or state; provided, that travel expenses shall not be paid for any invitational tournament, qualifying tournament or other tournament. The term "championship tournament" means that such tournament is sanctioned as such by the governing body of that sport or activity. Funds may also be expended for reasonable bus rental for same-day trips for special events or activities.

(2) No part of the funds deposited in the Youth Program Fund shall be used for any part of the costs of administration or regulation of such fund.

(Ord. No. 17321, §§ 5, 12-31-85; Ord. No. 17613, §§ 6, 11-17-88; Ord. No. 17925, §§ 1, 5-28-92; C.F. No. 94-745, §§ 4, 6-22-94)

Sec. 409.235. Contributions to eligible recipients.

(a) *Advisory board.* The board shall be the Youth Program Fund Advisory Board established pursuant to section 409.23 above.

(b) *Eligible recipients list established.* There is hereby established a list of recipients eligible for distribution of proceeds contributed by charitable gambling in on-sale liquor establishments as specified in this chapter, and in private clubs and other places as provided in section 402.10 of these chapters. The list of eligible recipients shall be promulgated annually by resolution by the city council upon the advice and report of the board. Such list may be amended from time to time by the city council to add or delete recipients. Such list shall be maintained for public inspection in the office of the city clerk, and shall be mailed quarterly to all organizations conducting charitable gambling within the City of Saint Paul by the Office of License, Inspections and Environmental Protection.

(c) *Applicant qualifications for inclusion on list.* Applicants shall be required to apply annually

and shall meet the following requirements in order to be included on the list:

(1) Applicants for inclusion on the list must be incorporated, nonprofit organizations formed solely for the purpose of serving Saint Paul youth, or having an incorporated, nonprofit organization, which provides programs for Saint Paul youth, as a fiscal agent. Booster clubs, which provide programs for youth, organized for a recreation center will be eligible, but organized clubs, activities and teams of public or private schools, will not be eligible. Evidence that an organization has been recognized by the IRS as exempt from taxation pursuant to 26 U.S.C. Section 501 or is using an organization so recognized as a fiscal agent shall be accepted as proof that it is a nonprofit organization, but such evidence is not the exclusive method of establishing nonprofit status.

(2) No other organization shall be eligible for inclusion on the list.

(d) *Requirements for applications for inclusion on the list:*

(1) Each applicant for inclusion on the list shall provide information setting forth its stated purpose, number of participants served, area served and the reasons why funds are needed.

(2) The submitting organization must provide at the time of application:

a. Verification of nonprofit status and copy of organizational bylaws.

b. List of current officers or directors.

c. Letter verifying organization's approval of the proposal and, where necessary, letter verifying approval of the application and proposal by the board of the fiscal agent.

d. Previous year's budget and financial statement.

e. Current balance sheet and income statement, if applicable.

f. Proposed budget (expenses and income) for the activity.

g. Evidence that insurance, if needed, can be obtained by the organization.

h. Area served, number of participants served, and reasons why funds are needed.

The financial information must demonstrate that the majority of the organization's funding is used for the benefit of the public in providing youth programs for youth twenty (20) and under, at least seventy-five (75) percent of whom are residents of the city.

(3) No organization operating charitable gambling in the State of Minnesota will be eligible for inclusion on the list.

(4) An organization formed, incorporated, operated or managed by the members, officers or directors of any organization operating or conducting lawful gambling, or subject to the requirements for contributions under sections 409.22(1) or 402.10 of the Legislative Code, or the ten (10) percent contribution requirement in this section, shall not be an eligible recipient.

(5) An eligible recipient, as a condition to continuation on the list, may not engage in or operate charitable gambling nor use any contributions received as a result of its status as an eligible recipient for anything other than a lawful purpose. Each recipient as a condition of receipt of contributions must execute the verified receipt and representations required above.

(e) *Contributions required.* Organizations conducting charitable gambling within the City of Saint Paul shall, to meet requirements imposed by law, including, but not limited to, sections 402.10 and 409.22(14) of the Saint Paul Legislative Code, give ten (10) percent as required therein to one (1) or more eligible recipients on the list promulgated by the city council or to the Youth Program Fund established under section 409.23. All such contributions must go only to eligible recipients on the list provided above. An organization cannot contribute to any recipient not furnishing the verified receipt as provided.

(f) *Affidavit.* Each eligible recipient shall annually, during the month of January, file an affidavit with the Youth Program Fund manager, in which each officer of the recipient shall state that the contributions which it received during the previous calendar year have been expended for a lawful purpose and state the purpose, that all previous contributions, if any, have been expended for lawful purposes, that the calendar-year total of contributions received as a result of its status as an eligible recipient does not exceed the allowable amount under the ordinance, that it does not operate any gambling activities, and that no such contribution or any previous contribution will be or has been used for capital expenses, salaries or travel expenses except as may be allowed herein.

(g) *Limitations on award and use of funds.* Funds may not be used for capital expenses, except as may be provided in administrative rules adopted by the advisory board permitting use of funds for purchase or maintenance of capital goods other than real property, nor for salaries or travel expenses, but may be expended for an individual or team representing the city or state in the state or national championship tournament in that sport or activity, or from the city where such individual or team has qualified for the state or national championship tournament in that sport or activity by competing in and winning the championship of a tournament in the city or state; provided, that travel expenses shall not be paid for any invitational tournament, qualifying tournament or other tournament. The term "championship tournament" means that such tournament is sanctioned as such by the governing body of that sport or activity. Funds may also be expended for reasonable bus rental for same-day trips for special events or activities.

(h) *Contribution of checks through the license division.* Notwithstanding any other provision of law to the contrary, an organization conducting charitable gambling shall make its contribution to an eligible recipient on the list by sending its check for the amount to the license inspector. The license inspector shall verify that the intended eligible recipient has complied with all requirements of this chapter and that the proposed contribution will not exceed the allowable limits, nor be in excess of eight thousand dollars (\$8,000.00) for that calendar year (as modified by the provisions of subparagraph (e)(5) of section 409.23 above concerning organizations in certain eligible areas or making certain demonstrations). If all requirements of law have been satisfied, the LIEP director shall forward such contribution to the intended eligible recipient by mail.

(i) *Alternate compliance.* Notwithstanding any provision of law to the contrary, any organization conducting charitable gambling within the City of Saint Paul may satisfy its obligations under paragraph (e) above and sections 402.10 and 409.22(14) of the Code to give ten (10) percent of its net profits to eligible recipients by, in lieu thereof, contributing such ten (10) percent to the Youth Program Fund established under section 409.23 of the Code.

(Ord. No. 17652, §§ 4, 6-1-89; Ord. No. 17925, §§ 4, 5-28-92; C.F. No. 96-394, §§ 3, 5-8-96)

